

Power

Performance

Contracting

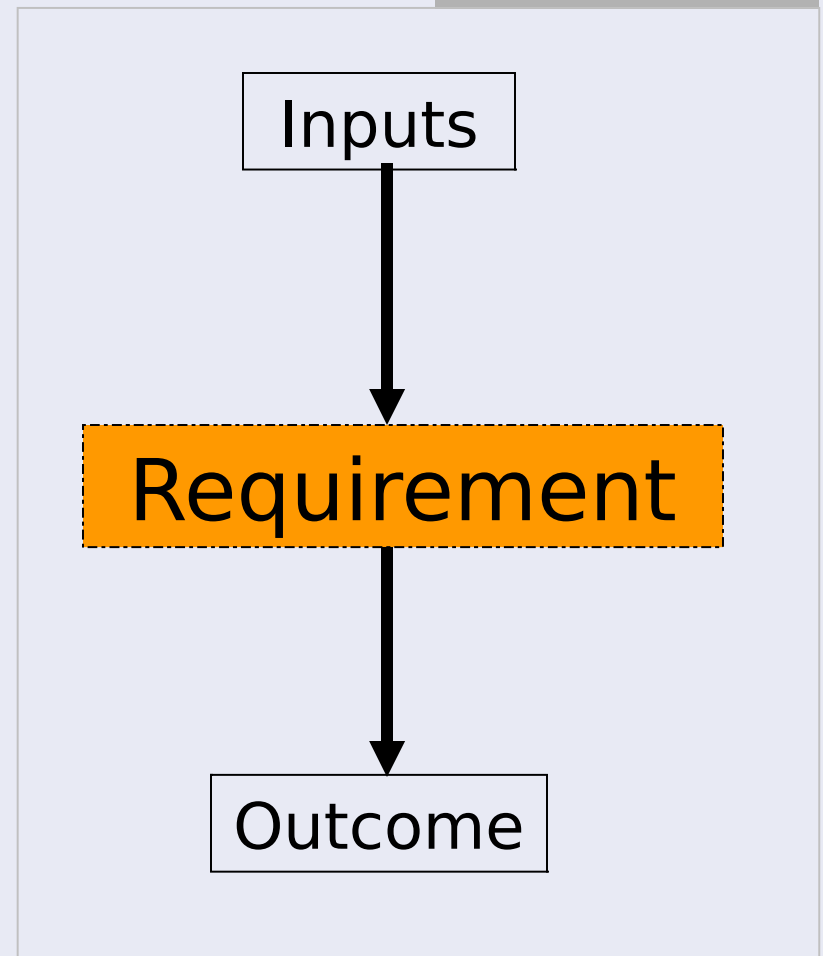
Teams

# Power Performance Contracting Teams

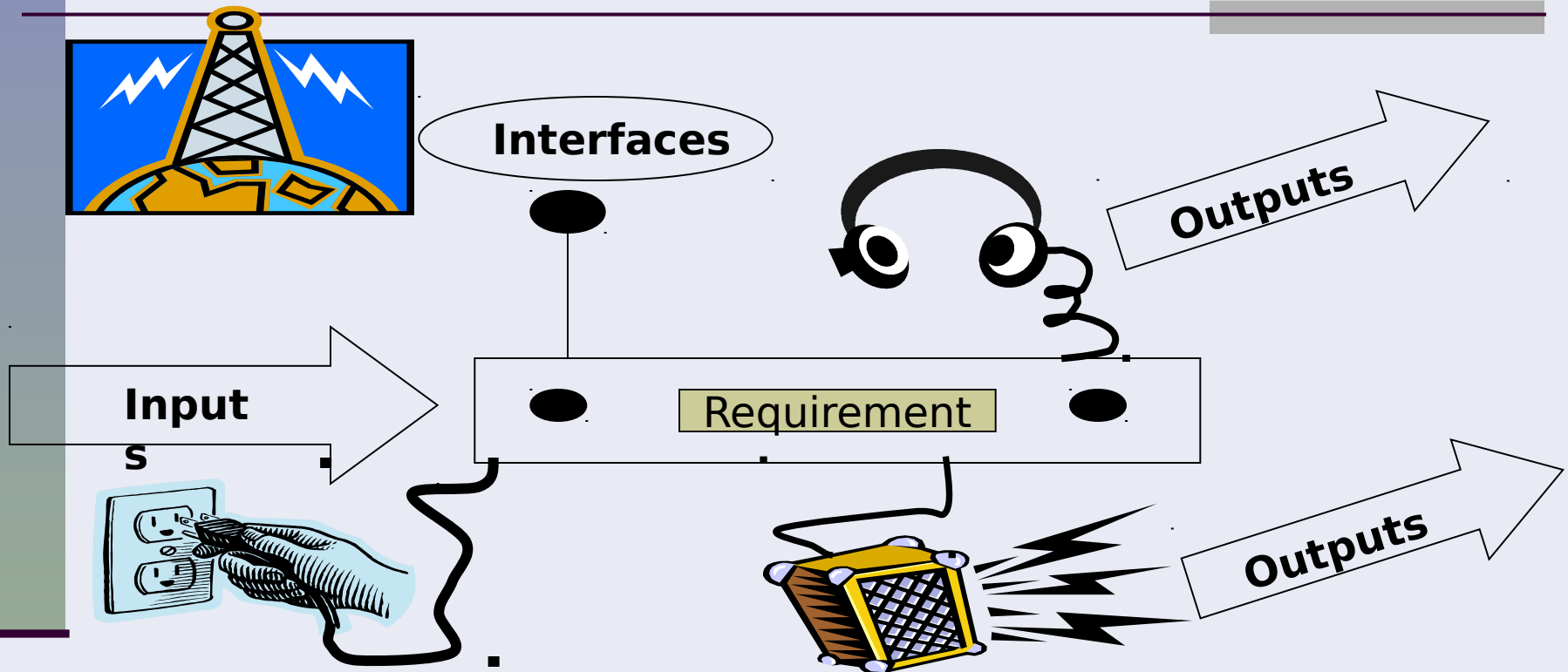
Superior contractor performance  
means superior customer  
satisfaction

# Performance Based Acquisitions

- Describes
  - Outcomes
  - Inputs
  - Interfaces
- Does not describe
  - Specific tasks
  - Step-by-step procedures
  - Internal management planning



# The RADIO PWS Model



**Think of it like a radio.**

**Requirement** - translate radio waves to music, news, etc.

**Interfaces and inputs**- an external antenna and power source, government provided.

**Outcome/output**- hear broadcasts through external speaker or headphones.

**HOW IT IS DONE IS UNIMPORTANT.**

# The Performance Requirement Process

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- Develop “elevator message” of work to be contracted
- Identify the outcomes
- Identify critical tasks/processes to meet those outcomes
- Decide how you know if those critical tasks/processes are completed/successful
- Refine and Document it



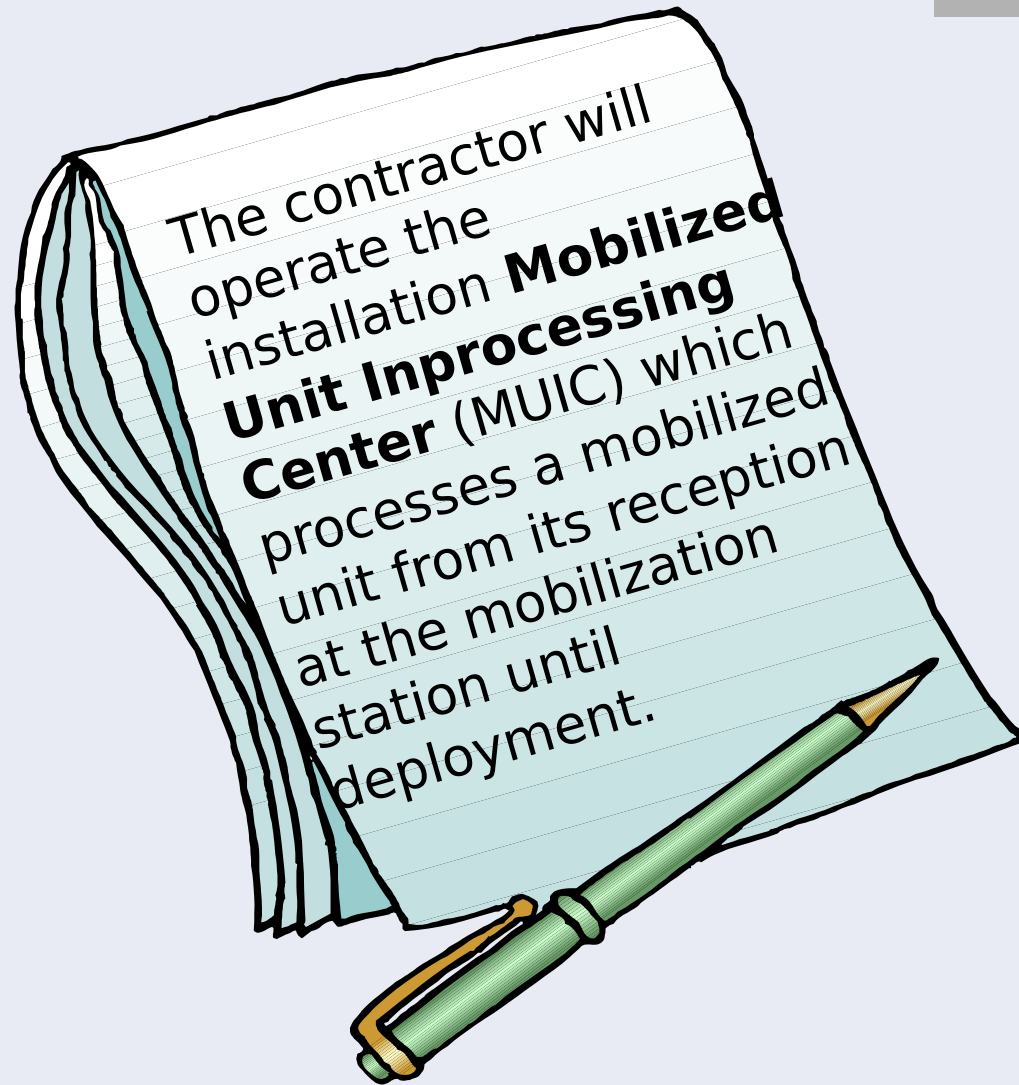
# Elevator Message

- Describe the overall requirement
  - Keep it brief and concise
  - Focus on desired result
  - Aim for the highest work level description
- Is effort to be a full function effort or smaller increment?
  - Still aim high



# Sample Elevator Message

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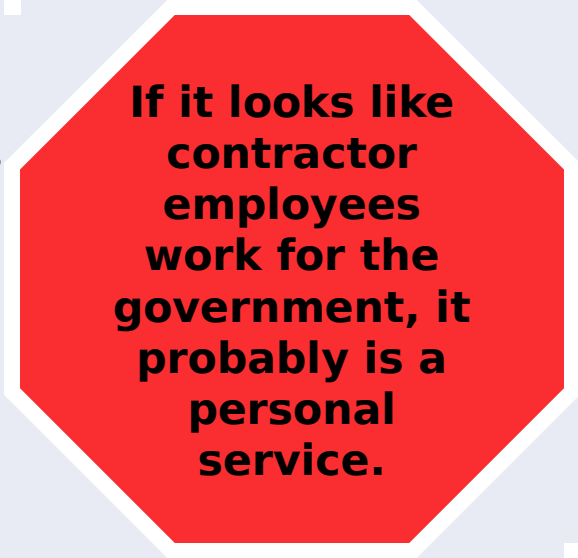
# Identify the Outcome

- Think in terms of the results of the processes
- Not “how” to accomplish the task, but what is to be accomplished
- Remember, it is the contractor’s mission to meet the outcome.



# Outcome to Avoid

- Personal Services
  - Characterized by the appearance of employer-employee relationship between the Government and the contractor's personnel.
  - Circumvents personnel laws
    - Cannot contract for individuals
    - Specific number of manhours



**If it looks like  
contractor  
employees  
work for the  
government, it  
probably is a  
personal  
service.**

# Morphing from “elevator message” to performance outcome

- The contractor will operate the installation Mobilized Unit In-Processing Center (MUIC) which processes a mobilized unit until its reception at the mobilization station until deployment.

- What does “operate” mean?
- Government provided building, electricity, IT support etc.?
- How long does it need to be operating- year-long, exercises & wartime only
- Hours of operation- 24/7, weekdays
- Surge requirement?

- What does “process” mean?
- Mission-related tasks?
- What does the government supply

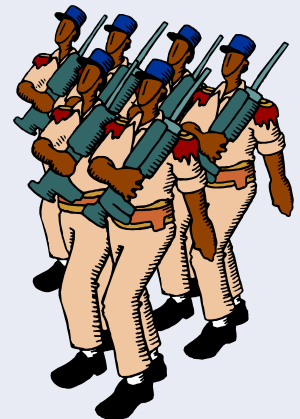
- Where is unit located during this time?
- Who is responsible for “deployment?”

# MUIC Outcomes

- The MUIC:
  - Houses and feeds mobilized units being processed
  - Facilitates Soldier Readiness Processing (SRP)
  - Coordinates processing and shipment of unit vehicles and equipment
  - Assists the MAT with the planning of individual and collective training



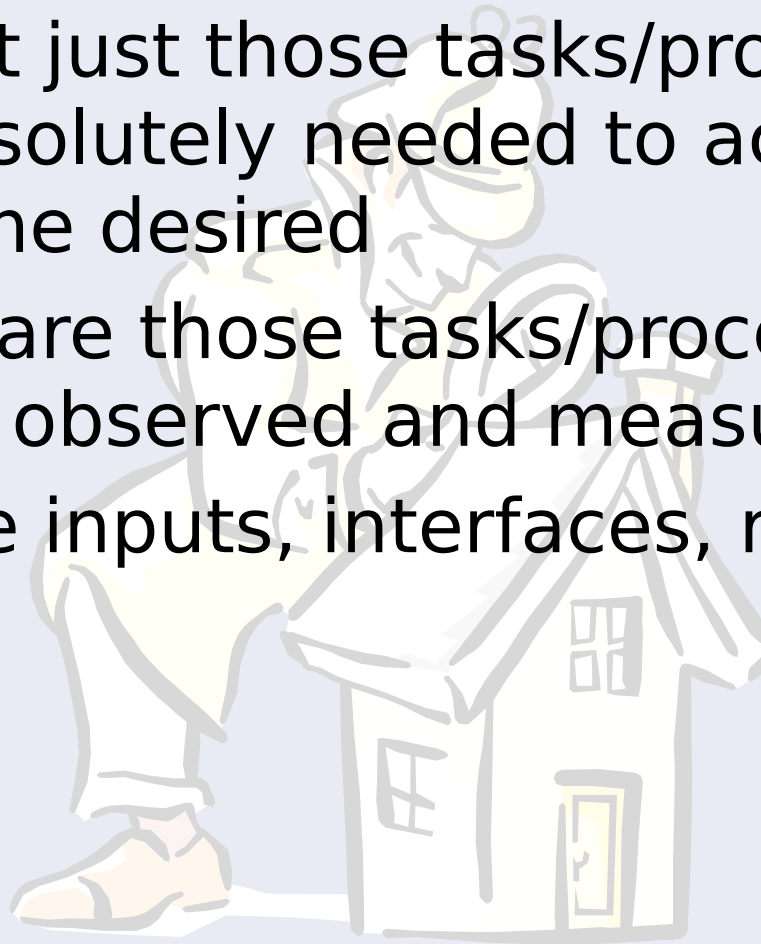
- Participates in unit validation
- Deploys unit



# Identify Critical Tasks/Processes

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- Look at just those tasks/processes that are absolutely needed to accomplish the outcome desired
- These are those tasks/processes that will be observed and measured
- Include inputs, interfaces, restraints



# Sample Critical Task/Process

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## **Outcome: Facilitate Soldier Readiness Processing (SRP)**

### **Critical task/process:**

- Identify and correct nondeployable conditions as soldiers process through the following stations:
  - PINS
  - Personnel management station
  - Medical facility
  - Dental facility
  - DEERS/RAPIDS/ID cards and tags
  - Security office
  - Military pay office
  - Legal affairs
  - Chaplain
  - Transportation office
  - Education center
  - ACS center
  - Provost Marshal Office
  - Housing office
  - MWR fund manager (for example, clubs, golf, outdoor recreation, child development services, youth activities, and libraries)
  - Training aids center
  - ACAP center

# Critical Task/Process Constraints

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- Inputs
  - Previous workload records
  - Expected capacity
- Interfaces
  - Unit commanders
  - Military and civilian personnel
  - Other Contractors
  - Terminology/acronyms
- Instructions
  - Appropriate Federal, State, Local, Base regulations
  - Mobilization Plans

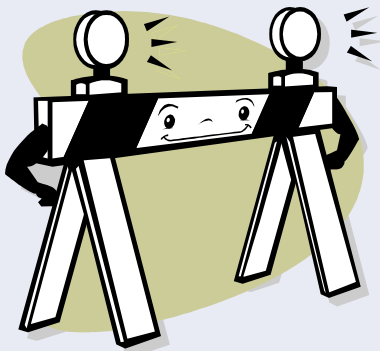
# Inputs, Interfaces, and Instructions

## ■ Inputs

- # of troops processed at various mobilization levels

## ■ Interfaces

- Garrison staff already in place (and their positions)
- Other contractors and their relationship to this effort
- Terminology/acronyms

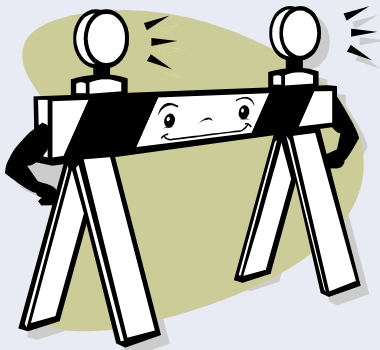


## ■ Instructions

- FORSCOM 500-3-1, 500-3-2, 500-3-4
- Base Mobilization Plan
- Etc.

# Inputs, Interfaces, and Instructions

- Inputs
  - Initial surge for a partial mobilization, expect to process 200,000 soldiers within 30 days or less
- Interfaces
  - Integrate with current garrison personnel, primarily in command and control positions
  - Interface with food service and training contractors
  - “Process” in this section includes making a determination of the individual soldier’s deployment status.



- Restraints
  - FORSCOM 500-3-1, 500-3-2, 500-3-4
  - Base Mobilization Plan
  - Etc.

# How do you know it's successful?

- Carefully decide how you know the outcome is achieved
  - Are there quantitative results?
    - Easiest to measure
    - Easiest to hold contractor accountable for
  - Qualitative results
    - Subjective criteria is hard to measure
    - Possible multiple interpretations
    - Widest latitude- for contractor and government

Business 101 hint:  
You always get what  
you measure-  
regardless of what  
you want.



# What does it mean to be successful?

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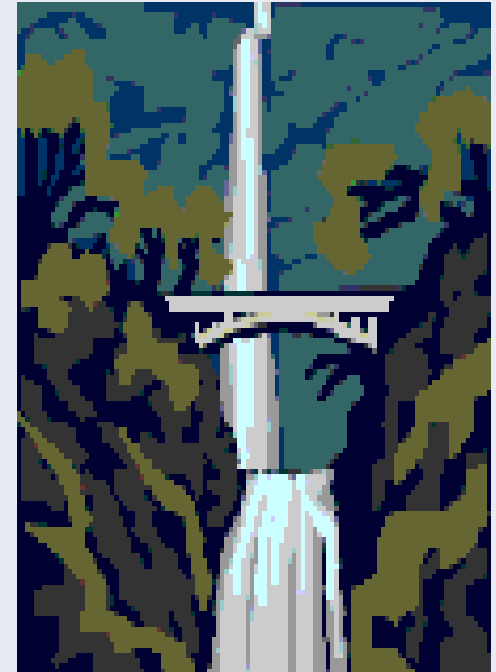
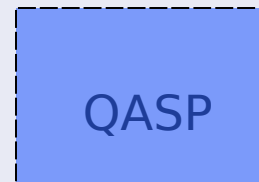
- Is the outcome achieved?
  - Quantitative results
    - 100 percent of soldiers are processed through MUIC within 2 days
    - 85 percent accuracy of completing in-processing forms
  - Qualitative results
    - Achieve a high level of customer service to soldiers throughout mobilization process

# From critical outcome to contractor performance takes

## a logical plan

■ This part of the process logically flows from:

- Performance Requirement Summary (PRS)
- Performance Work Statement (PWS)
- Quality Assurance Surveillance Plan (QASP)



# Refine and Write it Down



- PRS- identify and record
  - Critical tasks and processes
  - Performance standards and indicators
  - Acceptable levels of performance
- PWS-
  - Adds detail without “how-to.”
- QASP
  - How to tell mission is accomplished

# Write it right

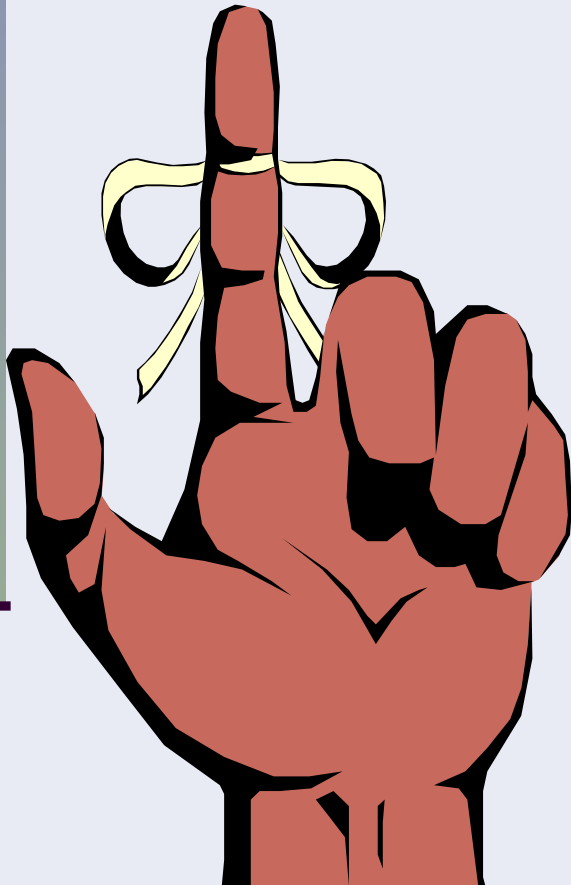
- Keep as high a level as possible
  - Specify only those tasks/processes absolutely essential
    - Law/regulation
    - Essential subtasks
  - Limit documentation to
    - Part of process
    - Required by regulation



Let the contractor find the most efficient method to get the job done

# Rewrite and refine

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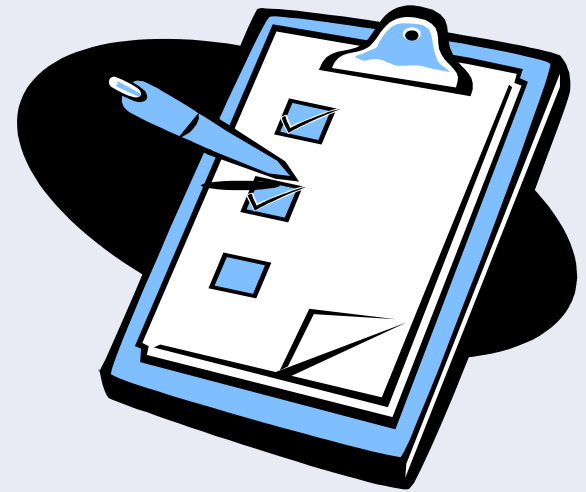


Remember you will  
need to observe and  
measure the results of  
these tasks

# Performance Requirement Summary

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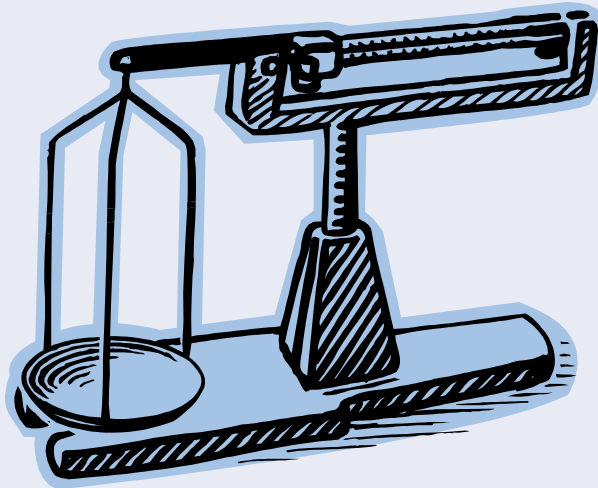
- The PRS identifies
  - Critical tasks and processes
  - Performance standards
  - Acceptable levels of performance
  - Surveillance Methods



# Performance Standards

**“Entire mobilized unit is processed within 2 days of reporting to mobilization center”**

- State the characteristics of properly completed outputs
- Contain standards for
  - Quality of Service
  - Scheduling/Timeliness
  - Cost Effectiveness

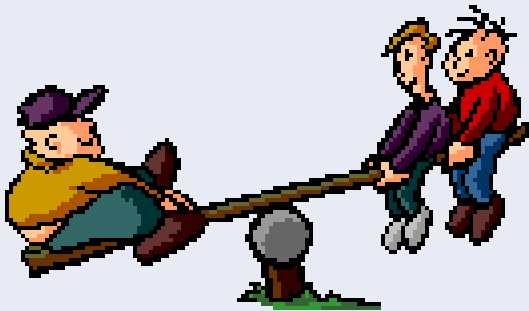


- Must be measurable, quantifiable, and attainable

# Acceptable Level of Performance

## The ALP

- How far from perfect performance is allowable
- The closer to perfection, the more it might cost
- Listed as a percentage
  - Perfection is an ALP of 0%
- “Maximum allowable degree of deviation from requirement”

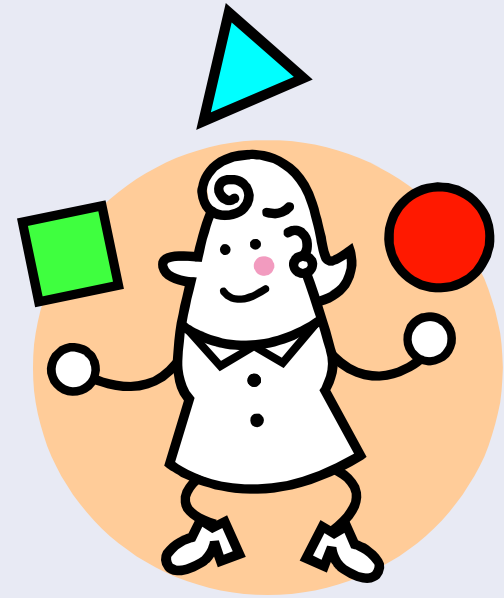


**Reach a balance between perfection and “good enough for government work”**

# How many Standards?

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- No set number
- Depends on the amount of surveillance required and COR support
- Suggested number
  - Full time COR
    - No more than 8 per week
  - Part time COR
    - No more than 3 per week



# Surveillance Methods

- Random sampling
- Planned sampling
- 100 percent inspection
- Validated customer complaints
- MIS
- Periodic checklists
- Unscheduled

- A systematic way to observe contractor performance and compare it to the standards in the PRS.



# The PRS: DA Form 5473-R

<b>Required Service</b>	<b>Standard</b>	<b>Maximum allowable degree of deviation of from requirement (AQL)</b>	<b>Method of surveillance</b>	<b>The proportion of required service to total contract price</b>
Just the critical tasks and processes to achieve the outcome	Observable, measurable and directly related to the outcome	__%. Describe lot size to be measured and how close to perfection is required.	Can be one or a combination of methods, depending on the outcome desired.	Allows government to pay only for the level of performance received

# Sample PRS

<b>Required Service</b>	<b>Standard</b>	<b>Maximum allowable degree of deviation of from requirement (AQL)</b>	<b>Method of surveillance</b>	<b>The proportion of required service to total contract price</b>
Identify and correct nondeployable conditions as unit is processed through MUIC	Unit is processed within 2 days of reporting	5%. Lot is each unit processed.	Random sampling and validated customer complaints	TBD

# The Performance Work Statement

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- Narrative in numbered format
- Start with the critical task/processes
- Add only logical/required processes at the highest level possible
  - Descriptive language
    - Avoid “prescriptive” words
- Leave room for contractor innovation
- Include inputs, interfaces, and restraints

# The Performance Work Statement

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- Start with the elevator message

*The contractor will operate the installation  
**Mobilized Unit Inprocessing Center (MUIC)**  
which processes a mobilized unit from its  
reception at the mobilization station until  
deployment.*

- Add critical tasks/processes at the highest level possible

*Facilitate Soldier Readiness Processing (SRP)  
Identify and correct nondeployable conditions while  
processing soldiers*

# The Performance Work Statement

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- Inputs/interfaces and restraints
  - Process mobilized brigade within 2 days of reception
  - Individual soldiers will be in possession of current mobilization packet at reception
  - Process soldiers IAW Installation MOB Plan and AR 200-1
  - “Process” includes issuing and updating required forms, certificates and other documentation for each soldier
  - Levels of mobilization and approximate number of soldiers to be processed (5 categories of activation)

# The Performance Work Statement (Excerpts)

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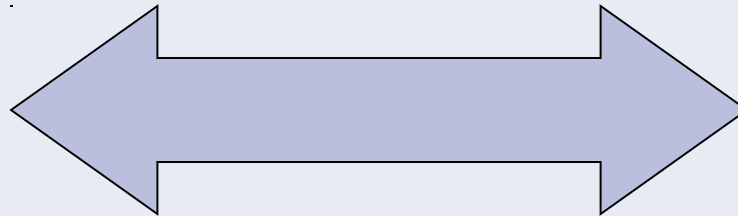
- 1.0. Scope. *The contractor will operate the installation Mobilized Unit Inprocessing Center (MUIC) which processes a mobilized unit from its reception at the mobilization station until deployment.***
- 1.1.0. The contractor will support to the Director, Military Personnel by ensuring the smooth and rapid mobilization and quick deployment of units.**
- 2.0. The MUIC provides the following:**
  - 2.1. Houses and feeds mobilized units being processed. The contractor will coordinate with lodging and food service contractors to ensure soldiers are properly fed and housed.**
  - 2.2. Facilitates Soldier Readiness Processing (SRP). The contractor will identify and correct nondeployable conditions as soldiers are processed.**
- 3.2.1. The term “process” includes issuing and updating required forms, certificates and other documentation for each soldier and making a determination of the individual soldier’s deployment status.**
- 3.2.2. Individual in-processing soldiers will be in possession of current mobilization packet at reception. Contractor will process soldiers IAW Installation MOB Plan and AR 600-8-101.**
- 3.2.4. Contractor will submit accurate and complete forms (hard copy or online, as applicable) IAW Installation MOB Plan and FORSCOM Deployment Guide 500-3-2.**

# Quality Assurance (QA)

- Government's efforts to obtain the performance that has been contracted for.
  - "QA is a structured program the Army uses to monitor the actions of...the contractor...to ensure the Army gets the work required by the PWS."

DA PAM 5-20 Commercial Study Guide

QA



QC

# Sampling Techniques

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- Choose appropriate method
  - Degree of uniformity within lot
  - Ease of access to performance
    - Geographic- various locations across base
    - Time- 24/4 operation
  - Importance of the service performed
    - Life-critical vs. routine, commercial service

# Sampling Techniques

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- Random
  - Best with steady, uniform processes
    - Manufacturing uses this a lot
  - Sometimes more difficult to do as all lots are likely to be selected for sampling- even distant or late at night ones
- Planned
  - Easier to plan and perform
  - Opportunity to “fine-tune” surveillance to help correct contractor recurring problems
  - Chance for COR/QAE bias
- 100 percent
  - Most labor and cost intensive
  - Most critical/life threatening processes
- *Validated* customer survey
  - Use as a secondary method of sampling

# Quality Assurance Surveillance Plan

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- Systematic way of assuring quality
- Used to observe, measure and pay for contractor's performance.
- Uses information from PRS and PWS



# QASP Format

- (1) Introduction.
  - (a) Purpose.
  - (b) Functions surveyed.
- (2) How to use the plan.
  - (a) Scheduling.
  - (b) Sampling procedures.
  - (c) Inspection procedures.
  - (d) Documentation/reporting procedures.
- (3) Types of surveillance forms.
  - (a) DA Form 5475-R, Surveillance schedule.
  - (b) Sampling guide.
  - (c) DA Form 5481-R, Tally Checklist.
  - (d) DA Form 5476-R, Surveillance Activity Checklist.
  - (e) DA Form 5477-R.
  - (f) DA Form 5478-R, Decision Table.
  - (g) DA Form 5479-R, Contract discrepancy report.
  - (h) Work statement discrepancy report.
- (4) Annexes.
  - (a) DA Form 5473-R Performance Requirements Summary
  - (b) Table of inspection sample sizes.
  - (c) Inspection sampling plans.
  - (d) Random number tables.
  - (e) Contract deduction formula.



# Surveillance Forms

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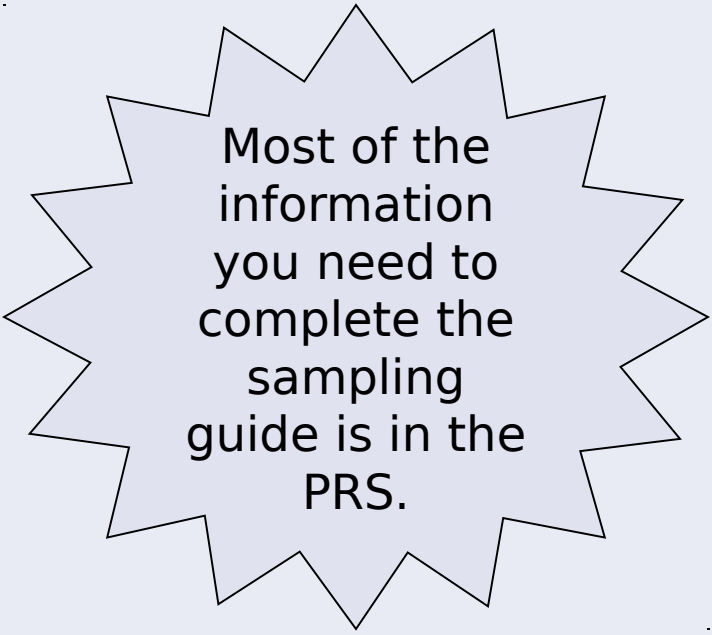
- Sampling Guide
  - How to perform QA tasks
- Tally sheet or checklist
  - Random sampling
- Surveillance Checklist
  - Planned surveillance
- Customer complaint form
- Contract Discrepancy Report (CDR)
- Monthly Schedule of Inspections



# Sampling Guide

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- Normally a one page narrative
- Identifies the ALP
- Lot and sample size
- How the output sampling and inspection will be performed
- Number of defects that will be allowed before the performance is considered unsatisfactory
- Contract deduction computation (if needed)



Most of the information you need to complete the sampling guide is in the PRS.

# Sampling Guide

## Sampling Guide for MUIC PRS #1

1. **Acceptable Level of Performance (ALP):** 5%
  2. **Lot Size for Sampling:** Number of units processed during the month
  3. **Sample Size:**
  4. **Sampling procedure:**
    1. At the end of each week, the COR/QAE will review applicable documentation to determine the units processed during the week. Using the Weekly Surveillance Tally spreadsheet, record the date each unit reported to the reception area and the date the unit was reported in "deployed" status.
    2. Count all units processed and divide it by the number of units processed in more than 2 days.
    3. Repeat each week for the entire month.
  5. **Evaluation Procedures**
    1. A unit is considered processed when the command is officially transferred to deployed status. Reception occurs when the unit is officially transferred to the mobilization command. Reception is scheduled between 0800 and 1100 hours and transfer to "deployed" status is typically scheduled for 1700 hours on the day the unit is validated for deployment.
    2. A simple determination of number of days can be made by counting the calendar days the unit is in process.
    3. Note any unusual timing during the week, i.e. units arriving at the reception area for processing past the 1100 cutoff.
- Performance Criterion**
1. Performance is acceptable if less than the 5% of the units are processed in more than two days.

From  
PRS

From  
PWS

# Other Surveillance Forms

- Purpose:

- Complete the plan
- Plan the surveillance
- Document the results

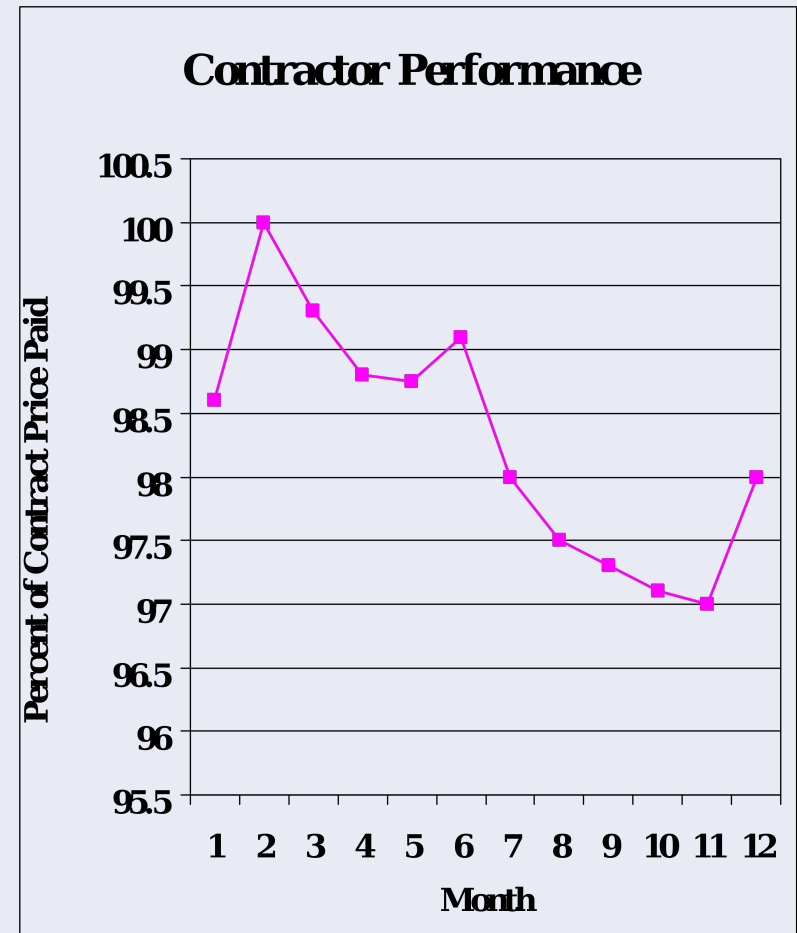


- Locally produced or use Form Flow

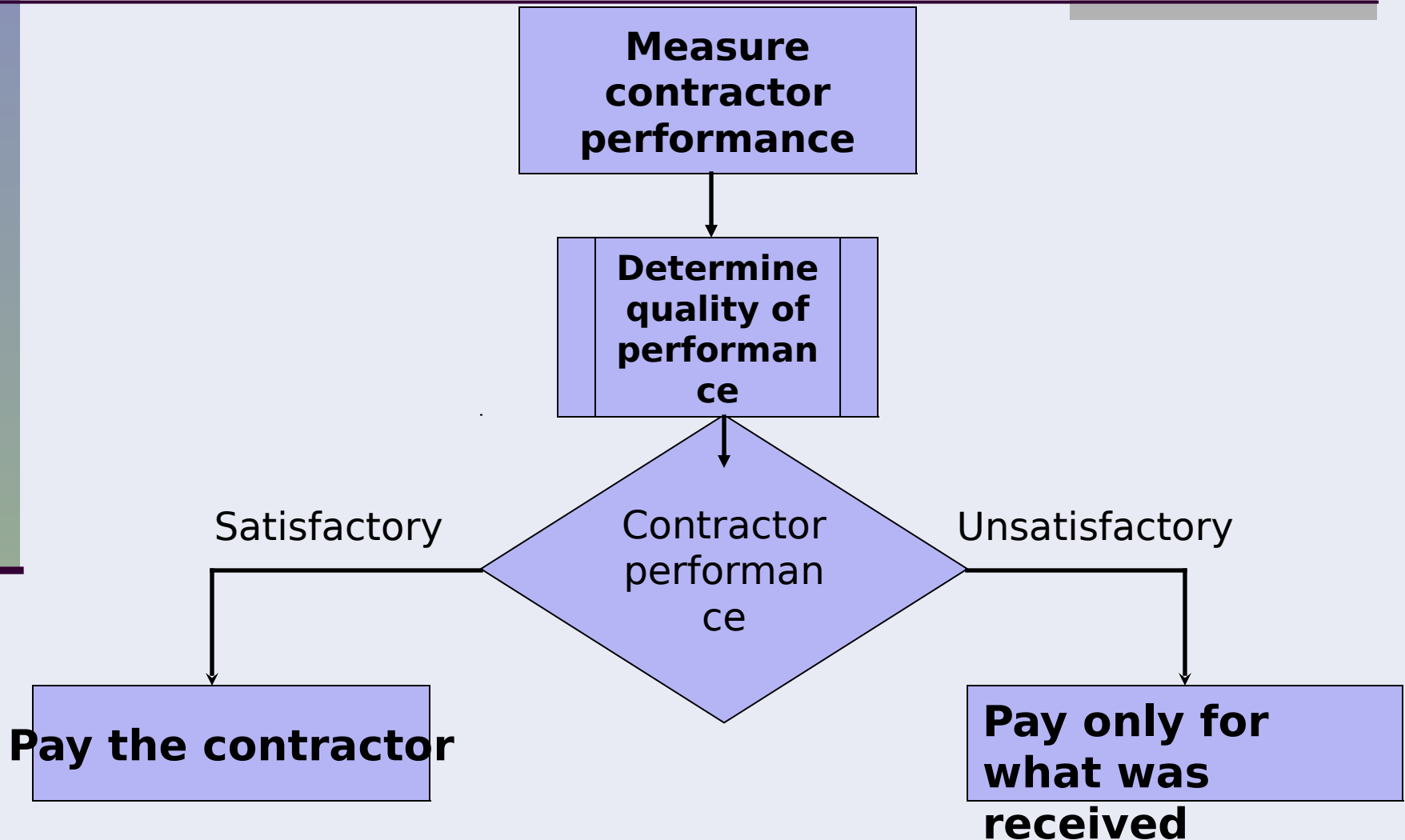
- Tally sheet or checklist
  - DA Form 5481-R
- Surveillance Checklist
  - DA Form 5476-R
- Customer complaint form
  - DA Form 5477-R
- Contract Discrepancy Report (CDR)
  - DA Form 5479-R
- Monthly Schedule of Inspections
  - DA Form 5475-R

# Improving Contractor Performance

- Use information from surveillance to monitor trends
- Trend analysis
  - Percent of contract price paid
  - Measurable outcomes can also be tracked
- Adjust QASP to continue improvements



# PRS + PWS + QASP = Contractor Performance



# Put performance into the contract

- High level tasks/processes
  - Describe end results desired
- Measurable standards
  - the government knows when contractor succeeds
- A plan to ensure performance is received

